

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALEX HOLMES, JOSH NAVARRO, NICO
TRAMONTANA, BITCOIN VENTURES 2020, LLC,
YASAR CORPORATION and ONEPURPOSE LTD.,

Plaintiffs.

against-

CHET MINING CO, LLC, CHET MINING CO CANADA
LTD., and CHET STOJANOVICH,

Defendants.

**DECLARATION OF IN
SUPPORT OF MOTION FOR
DEFAULT JUDGMENT**

**BY PLAINTIFF ALEX
HOLMES**

Pursuant to 28 U.S.C. §1746

Civ. Action No.: Civ. Action No.:
1:20-cv-04448-LJL

I, **ALEX HOLMES**, declare under penalty of perjury that the following is true and accurate:

1. I am a plaintiff in this action. I respectfully submit this declaration in support of my motion for a default judgment pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure and Local Rule 55.2. This declaration is based on my personal knowledge.

2. I seek a default judgment against the defendants, jointly and severally, for the total sum certain of \$497,092.71, itemized below. This sum certain represents purchase monies that I paid the defendants for goods which the defendants failed to deliver. This is detailed in the Complaint and further discussed below.

3. In spring and summer 2019, defendant Chet Stojanovich, holding himself out as the owner and sole officer of Chet Mining Co. LLC and “Chet Mining Co. Canada,” induced me to pay to pay the defendants \$497,092.71 for bitcoin mining equipment and hosting services that the defendants never provided.

4. Defendant Chet Stojanovich sent me written offers for this equipment and hosting services:

- a. On or about May 6, 2019, Stojanovich offered to sell twenty (20) Z11 miner devices and one hundred (100) L3+ miner devices, and provide six (6) months of hosting services at the defendants' purported mining facility, for a price of \$67,252.50. A true and accurate copy of a statement from Stojanovich offering these terms is annexed hereto as **Exhibit A**.
- b. On or about May 16, 2019, Stojanovich offered to sell fifty (50) Antminer L3+ devices, for \$19,293.75, also subject to the hosting services. A true and accurate copy of a statement from Stojanovich offering these terms is annexed hereto as **Exhibit B**.
- c. On or about May 21, 2019, Stojanovich offered to sell twenty (20) S9 and ninety (90) L3+ mining devices, for \$52,984.50, also subject to the hosting services. A true and accurate copy of a statement from Stojanovich offering these terms is annexed hereto as **Exhibit C**.
- d. On or about May 21, 2019, Stojanovich offered to sell another order of sixty (60) S9 and two hundred seventy (27) L3+ devices, for \$158,953.50, with hosting services. A true and accurate copy of a statement from Stojanovich offering these terms is annexed hereto as **Exhibit D**.
- e. On or about May 21, 2019, Stojanovich offered to sell another order of ten (10) S9 and thirty (30) L3+ devices, for \$20,312.25, also subject to the hosting services. A true and accurate copy of a statement from Stojanovich offering these terms is annexed hereto as **Exhibit E**.
- f. On or about July 18, 2019, Stojanovich offered to sell ten (10) S9 and twenty-six (26) L3+ devices \$36,648.00, also subject to the hosting

services. A true and accurate copy of a statement from Stojanovich offering these terms is annexed hereto as **Exhibit F**.

5. After receipt of these various offers, I had further discussions and negotiations with Chet Stojanovich about the terms of sale, and the prices were modified somewhat. The amounts that I ultimately paid the defendants for machines and hosting services does not precisely match the amount of Stojanovich's written statements (Exhibits A through F), for this reason. But I paid for the machines and services (as described below) and the defendants accepted the payments.

6. Specifically, to purchase the mining devices and hosting services I made electronic funds transfers to defendant Chet Mining Co. LLC on the following dates, in the following amounts:

- a. On May 7, 2019, a wire transfer in the amount of \$60,000. *See* the true and accurate copy of the wire transfer receipt, annexed hereto as **Exhibit G**.
- b. On May 17, 2019, a wire transfer in the amount of \$19,293.75. *See* the true and accurate copy of the wire transfer receipt, annexed hereto as **Exhibit H**.
- c. On June 3, 2019, a wire transfer in the amount of \$225,000. *See* the true and accurate copy of the wire transfer receipt, annexed hereto as **Exhibit I**.
- d. On June 24, 2019, a wire transfer in the amount of \$10,000. *See* the true and accurate copy of the wire transfer receipt, annexed hereto as **Exhibit J**.

Total May/June 2019 Wire Transfers: \$314,293.75

7. For a time, the defendants postured as though they had procured the machines and were hosting them for me. Beginning after my May 2019 payments (Exhibits G and H), the defendants delivered some Bitcoin to me, as though these Bitcoin were "returns" generated by my machines. Over the summer of 2019, Chet Stojanovich transmitted these mischaracterized "returns" to me, reporting to me falsely about the progress of my.

8. In June to July 2019, Chet Stojanovich invited me to "reinvest" those purported "returns" back with the defendants, to secure greater mining capacity. Because I was ostensibly

receiving “returns,” it appeared that this venture was worthwhile. In reliance on Stojanovich’s representations, I paid my “returns” back to Chet Mining Co. LLC, in Bitcoin transfers, plus some additional BTC investments, on the following dates, in the following amounts:

- a. July 12, 2019: 4.41 Bitcoin (at spot price of 11,905 per Bitcoin) for a value of **\$52,501**
- b. July 12, 2019: 2.1 Bitcoin (at spot price of 11,905 per Bitcoin), for a value of **\$25,000**.
- c. July 14, 2019: 0.42 Bitcoin (at spot price of 11,451 per Bitcoin), for a value of **\$4,809**.
- d. July 17, 2019: 9.36 Bitcoin (at spot price of 10,736 per Bitcoin) for a value of **\$100,488.96**. (This transfer was out of a BTC fund that I maintain for my daughter and was additional BTC investment by me for what was supposed to be increased mining capacity, above and beyond reinvesting prior “returns”).

Total July 2019 Transfers: \$182,798.96

These transfers are documented in screen captures from my Bitcoin wallet, true and accurate copies of which are annexed hereto as **Exhibit K**.

9. Between the \$314,293.75 in wire transfers that I made in May and June 2019 and the Bitcoin transfers of \$182,798.96 in July 2019, I paid the defendants a total of \$497,092.71.

10. After I made these “re-investments,” Stojanovich became less communicative, and more evasive with me. Stojanovich routinely ignored my text messages, in which I sought an accounting of what was occurring with my machines.

11. Eventually, in early 2020, Stojanovich admitted to me that the “returns” that he had previously remitted to me (and which I had “reinvested”) had come from NiceHash speculation, not production from any physical machines that the defendants had procured for me or that they were hosting for me. NiceHash is a shared market platform in which investors can buy participation shares in other people’s mining devices, and share in the income generated by those devices. In other words, instead of delivering and hosting the actual, physical mining devices that

I had paid for, the defendants were just buying shares in other people's machines on NiceHash, and providing some of the income back to me. Chet Stojanovich falsely characterized this income as "returns" coming from the physical machines I had ordered and paid for, even though the defendants never actually produced, procured or delivered those machines. After that, Stojanovich ceased contact with me, prompting me to bring this suit.

WHEREFORE, for the reasons set forth above and in the accompanying Affirmation of my attorney, I respectfully request a default judgment against the defendants, jointly and severally, in the sum of \$497,092.71.

Executed on August 24, 2020

A handwritten signature in black ink that reads "Alex Holmes". The signature is written in a cursive style and is positioned above a horizontal line.

Alex Holmes